

DNCT Meeting Notes

7/19/99

1:00-3:30

Attendees

Karl Halupka, Pete Chadwick, Jim White, Bruce Herbold, Pete Rhoads, Dave Fullerton, BJ Miller, Paul Fujitani, Tom Cannon, Ron Ott

Agenda

1. White paper on EWA.

EWA White Paper

Goal: memo is basis for Policy

- I. conclusions
- II. issues
- III. Steps in implementation

- Draft by Friday
- 4-5 pages
- What we learned – agreements, issues, concerns
- What we need for details of the EWA by Thanksgiving
 - ⇒ People
 - ⇒ Resources
 - ⇒ Milestones
 - ⇒ Structure
 - ⇒ Process
 - ⇒ Tech issues resolution
 - ⇒ Policy issue resolution
- Results by fish group
 - ⇒ Need more general conclusion (e.g. surface is better than ground water)
 - ⇒ Why is In-Delta storage good
- Issues
 - ⇒ How big EWA needs to be – early and late (early needs more money)
 - ⇒ Agencies don't have sufficient info to determine how big EWA should be.
- Effectiveness –
 - ⇒ salvage reduction per AF of exports curtailed
 - ⇒ late term tools were more effective
 - ⇒ flex operations provided more benefits per acre-ft
- Conclusions
 - ⇒ EWA seems to be best approach so far
 - ⇒ We were able to increase exports and reduce impacts to fish
 - ⇒ EWA was more effective than prescriptive rules like E/I ratio
 - ⇒ EWA provided protections that were important to populations
 - ⇒ Main conclusions from fish groups go here
 - ⇒ We have consensus on hypotheses and process for addressing them
 - ⇒ Working on tech hypotheses will help bridge gaps of disagreement
- Paper should justify the following:
 - ⇒ Improvement from EWA were important
 - ⇒ Efficiency was better for the same level of protection
 - ⇒ What we have done to date was not sufficient to define size of EWA
- Other questions to be addressed in paper
 - ⇒ What was done?
 - ⇒ What were the positive and encouraging elements?

- ⇒ What are the problems and issues?
- ⇒ What is EWA team's best wisdom?
- ⇒ What are tech agreements?
- ⇒ What are tech disagreements?
- Other things for paper
 - ⇒ Capture what we learned on the positive side – we have done good things for fish, WQ, and WS.
 - ⇒ Institutional section – from Dave's paper.
 - ⇒ Do we ID all functions of EWA? R: NO.
 - ⇒ Need to show range of assets showing their impacts.
 - ⇒ Put default governance suggestion into white paper

Issues to be addressed over coming months:

- ERP/AFRP flows; CVPIA flows
- Upstream benefits
- In-Delta AFRP and Trinity requirements
- Basic dilemma – there is not enough for everyone – to meet multiple objectives
- By Nov ID assets of Start of Stage 1 of EWA.
 - ⇒ Define allocation of assets
 - ⇒ Breakdown of Brigg's table – extent table through Stage 1 as assets are added.
- Account should get water from exporters in wet years and give more water to exporters in dry years. (?)
- What contracts EWA should get, should be based on need.
- Define EWA entity options and what his capabilities will be.
- What are key functions that drive governance.
- Define what we need to bring Policy into process.
- Alternative needed for OPS/NONAME – they take too much time.
- Identify Entity options
- Develop a checklist for going forward

Two Parts to EWA

- Governance – structure and decision making process
- Assets – what are they; the rules for use; legal constraints on use.
- For governance to happen we need a certain level of assets
- Need to define information needed to make this happen.
- We will be asset limited.

EWA is most effective way to use assets

- To better prescriptive approach EWA will have to have enough assets to provide WS and ESA species recovery. Overall deal will have to meet water users needs and provide recovery.
- With adequate effort toward EWA, CALFED would enjoy non-jeopardy status.
- Small EWA is better than none.

Negotiations

- Magnitude of EWA determined through negotiations
- Tech data will guide negotiations
- We should lock in institutional aspects of EWA while negotiating issues and details.

Central Problems

- Fish people want Accord, AFRP, Trinity, and additional Delta protection, and ERP.
- Water supply people want WS to build over Stage 1.
- Third party impacts
- Fatal flaws

- Not much water supply impacts in dry years because demands are already not being made.
- Redefining problem is part of solution
- In some years WS won't be happy.

Assets

- Assets are all assets not just EWA assets.
- Transfer market is a two-way street
- Priorities in facilities is real problem.
- Reserving capacity
- We need target levels of assets
- We should define WS assets at beginning and end of Stage 1.
- Potential for success is limited by how many and much assets we can develop in seven years.

Hypotheses/Tech Teams

- Tech team review of hypotheses has to be part of process
- EWA negotiators will have to draw on tech teams
- Come Nov we will ID assets based on poor information if we don't address hypotheses

EWA Rules

- Set rules for EWA
- Debt limits

EWA Authority and Accountability

- Controls ability to make decisions
- Governance
- ESA cannot give up their authorities and responsibilities ~ but through active governance can delegate to EWA – but ESA would have a review responsibility as they do in every BO/HCP.
- Bind decisions in time frames
- The bigger the decision the more input and approval is required.
- We should put in a default governance suggestion into white paper
- Leave open a grander scheme
- New entity would have to deal with ESA (no doubt through a BO)
- Recommendations from a field of things with pros and cons.

Monitoring / CMARP

- Near real time data
- Addressing Hypothesis
- Assessing effects
- Population abundance tracking – part of CMARP

Funding

- Where does money come from
- Reliable funding – where and how much
- Coordination with other CALFED programs
- Form of income streams
- Regulatory assurance – EWA will pay Kern for GW storage and buy DW – is this covered in asset allocations and regulatory assurances?

Impacts on Water Users

- Consumption of water user assets by EWA

Deal Points (negotiating factors)

- What level

- Day 1 and phasing in
- Starting assets
- Build from points of agreement
- Avoid defeat or saying there is a lack of assets
- What are the assets we want (remember assets are everything involved – water, money, facilities, share in facilities, etc)
- Trade assets for assurances – to willing traders
- Attempt to lay out how negotiations will proceed.
- Negotiate around tools
- ID entities involved in negotiating
- Provide suggestions as to how to conduct negotiations between now and Nov
- Won't work if they meet only once a month – set a frequent schedule for negotiations.
- Generate interest in juicing the negotiations up